

Message Text

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ACTION EB-07

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TO SECSTATE WASHDC 3254

INFO USDOC WASHDC

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS NEW DELHI 0329

PLEASE PASS USGS, BURMINES, FEA, ERDA

E.O. 11652: N/A

TAGS: ENRG IN

SUBJECT: COMMERCIAL CRUDE FROM BOMBAY HIGH TO START FLOWING SOON

1. ACCORDING TO PRESS REPORTS, WHICH HAVE SUBSEQUENTLY BEEN CONFIRMED BY THE MINERALS ATTACHE IN DISCUSSIONS WITH OIL AND NATURAL GAS COMMISSION (ONGC) OFFICIALS, GOI PLANS TO COMMENCE THE PRODUCTION OF CRUDE FROM THE BOMBAY HIGH (BH) BY THE END OF THE CURRENT INDIAN FISCAL YEAR ENDING MARCH 31, 1976.

2. WHILE INITIAL PRODUCTION WILL PROBABLY BE IN THE NEIGHBORHOOD OF 10,000 TO 20,000 B/D (FROM TWO WELLS ON THE FIRST PRODUCTION PLATFORM), PLANS CALL FOR REACHING A PRODUCTION RATE OF TWO MILLION METRIC TONS (40,000 B/D) BY YEAR END WITH A TARGET OF 10 MILLION METRIC TONS BY 1980.

3. WORK IS NOW PROGRESSING ON THE INSTALLATION OF
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FOUR PLATFORMS, TWO SBMS (SINGLE BOUY MOORING) SYSTEMS

AND INTERCONNECTING SUBSEA PIPELINES. THE FIRST PLATFORM, IN ADDITION TO HAVING TWO WELLS, WILL SERVE AS THE PROCESSING UNIT WITH 40,000 B/D CAPACITY FOR SEPARATING THE OIL, GAS AND WATER FROM ALL FOUR PLATFORMS. THE REMAINING THREE PLATFORMS ARE TO HAVE FOUR DIRECTIONAL WELLS EACH. AT THE PRESENT TIME A TOTAL OF 11 WELLS HAVE BEEN DRILLED IN THE BH WITH 6 MORE PLANNED IN NEAR FUTURE. A NUMBER OF THESE ARE EXPLORATORY OR ASSESSMENT WELLS. THE TWO JACK UP DRILLING RIGS, THE LEASED "SHENANDOAH" FROM ATWOOD OCEANICS (US) AND ONGC'S "SAGAR SAMRAT" ARE TO BE USED FOR DRILLING PRODUCTION WELLS WHILE THE OTHER TWO RIGS, THE "HAAKON MAGNUS" FROM NORWAY AND THE DALMOHOY" FROM THE U.K. WILL BE USED FOR EXPLORATORY PURPOSES.

4. ONE SBM WILL SERVE AS A PERMANENT ANCHOR FOR A 90,000 TON STORAGE TANKER. THE SECOND SBM WILL SERVE AS A MOORING FOR A TRANSPORT TANKER WHICH WILL CARRY THE CRUDE FROM THE STORAGE TANKER TO ONSHORE REFINERY FACILITIES AT BOMBAY. ONGC ANTICIPATES SOME LOADING PROBLEMS DURING THE MONSOON PERIOD WHICH COULD HAVE THE EFFECT OF REDUCING CRUDE PRODUCTION DURING THIS PERIOD. THIS WOULD BE ALLEVIATED WITH THE CONSTRUCTION OF A PIPELINE NOW PLANNED FROM THE BH TO SOME ONSHORE REFINERY. ONGC IS THINKING IN TERMS OF TWO PIPELINES, ONE TO HANDLE THE CRUDE, THE SECOND TO TRANSPORT THE LARGE VOLUME OF GAS ANTICIPATED FROM THE BH. IT IS UNDERSTOOD THAT ONGC WOULD PREFER BOTH PIPELINES BEING BUILT AT THE SAME TIME TO MINIMIZE COST AND TO MAKE READY AVAILABLE THE GAS AS A FERTILIZER FEEDSTOCK. CONSTRUCTION COSTS HAVE BEEN ESTIMATED AT DOLS 150 MILLION WITH SOME WORLD BANK FINANCING CONTEMPLATED.

5. DURING A TALK BEFORE THE INDIAN SCIENCE CONGRESS ON JANUARY 4, DR. N.B. PRASAD, CHAIRMAN OF ONGC, PLACED THE OIL RESERVES OF THE BH CONSERVATIVELY AT OVER 700 MILLION METRIC TONS. WHEN COMBINED WITH THE ONSHORE RESERVES OF THE ASSAM AND GUJARAT OIL FIELDS, HE BELIEVES ONGC WILL BE ABLE TO SUSTAIN AN ANNUAL PRODUCTION OF 18 TO 20 MILLION METRIC TONS PER YEAR.

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THE RECOVERABLE RESERVES OF THE BH HAVE BEEN ESTIMATED AT ONE BILLION BARRELS. ACCORDING TO ONGC, IF ANOTHER OFFSHORE FIELD OF SIMILAR POTENTIAL AS THE BH WERE TO BE LOCATED THE ABILITY TO ACHIEVE SELF-SUFFICIENCY WOULD BE WITHIN RANGE.

6. GOI APPEARS TO BE MAKING EVERY EFFORT TO ACCELERATE OFFSHORE DEVELOPMENTS. ONGC IS TO BEGIN EXPLORATORY DRILLING IN THE

SAURASHTRA OFFSHORE BASIN IN THE NEXT THREE MONTHS. A SEISMIC SURVEY FOR OIL IN THE CAUVERY BASIN IS TO BEGIN IN FOUR WEEKS FOLLOWED BY EXPLORATORY DRILLING IN THE NEXT SIX TO NINE MONTHS. THIS IS BEING UNDERTAKEN BY THE ASMERA GROUP (CANADIAN). IN ADDITION, TWO OTHER FOREIGN GROUPS ARE OPERATING IN THE OFFSHORE AREAS. THESE INCLUDE CARLSBERG/ NATOMAS IN THE BENGAL BASIN WHERE THEY ARE NOW DRILLING THEIR SECOND WELL AND READING BATES IN THE KUTCH BASIN WHERE DRILLING WAS STARTED IN OCTOBER 1975. ONGC IS ALSO CONDUCTING SEISMIC WORK IN THE OUTER CONTINENTAL SHELF. SUBJECT TO ANYONE OF THESE FIRMS FINDING SIZABLE CRUDE RESERVES, THE ABILITY FOR GOI TO ACHIEVE SELF-SUFFICIENCY BY MID-1980 IS DEEMED POSSIBLE.SAXBE

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